



**State of Rhode Island
Department of Administration / Division of Purchases
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**Solicitation Information
November 7, 2012**

ADDENDUM # 1

RFP#7458185

RFP Title: Clinical Laboratory Billing Services

Bid Opening Date & Time: 11/15/2012 @ 10:00 AM (Eastern Time)

Notice to Vendors:

ATTACHED ARE VENDOR QUESTIONS WITH STATE RESPONSES.

NO FURTHER QUESTIONS WILL BE ANSWERED.

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Interdepartmental Project Manager**

Interested parties should monitor this website, on a regular basis, for any additional information that may be posted

Vendor Questions for RFP #7458185 Clinical Laboratory Billing Services

Question 1: The RIVIP Generated Bidder Certification Cover Form specifies that bids must be submitted on the Rhode Island bid solicitation form provided. I am unable to locate this bid solicitation form. Since this is not a brand/part number bid, I am thinking perhaps this form is not required for this RFP. Can you please confirm? If it is necessary, where may I find this solicitation form?

Answer Q1: The RIVIP Generated Bidder Certification Cover Form is the only form needed for this RFP. The Rhode Island bid solicitation form is not required.

Question 2: Are the services outlined in the RFP currently performed by a billing agency or are the services performed in-house?

- a. If a billing agency, what is the name of the current billing agency?
- b. What was the compensation paid to the existing billing vendor in the most recently completed fiscal year?

Answer Q2: The services outlined in the RFP are currently performed by a billing agency. The name of the billing agency is New England Medical Billing. During State Fiscal Year 2012 \$100,000 was paid to the existing billing agency for clinical billing services performed.

Question 3: What computer system is currently used to document services?

Answer Q3: CERNER Millennium Laboratory Information Management System.

Question 4: The RFP states approximately 90,000 tests are performed annually.

- a. How many of these are billed to third party insurance (including Medicare and Medicaid)?
- b. How many are billed to self pay?

Answer Q4: Approximately 80% of the tests performed annually are billed to third party insurance and 20% are billed to self pay.

Question 5: Is volume expected to change in the near future, if so, increase or decrease and by how much?

Answer Q5: It is unknown whether the volume of testing will vary in the future, however testing has remained constant for several years.

Question 6: What are the annual gross charges associated with the 90,000 tests?

Answer Q6: Approximately \$2.1 million gross charges are associated with the clinical testing performed at HEALTH-SHL.

Question 7: What is the percentage of claims billed to Medicaid vs. other Third Party Payers (Blue Cross, Aetna, etc)?

Answer Q7: Approximately 35% of claims are billed to Medicaid.

Question 8: What is the current payer mix by major payer (i.e., BCBS, Aetna) by gross? charges and cash collections?

Answer Q8: The current payer mix by major payer is as follows:

	Gross Charges	Cash Collections
BCBS	12%	23%
Medicaid	35%	45%
Medicare	2%	3%
Commercial	8%	9%
Other	42%	19%

Question 9: Is HL-7 the only form of transmitting data to the vendor, or will HEALTH-SHL consider an alternative format?

Answer Q9: Health laboratory management system produces an HL-7 compliant output file containing information required for billing. An example of this file was included in the RFP. The vendor must be able to receive and extract information from this type of file.

Question 10: The RFP states *“Gathering of additional information as a result of having incorrect or incomplete data will be the responsibility of the Vendor”*. Will this include contacting clients / patients to obtain additional information?

Answer Q10: Yes this may include contacting clients / patients for the additional information; however, the use of other resources to obtain the information is also permitted.

Question 11: Based on existing billing operations, what is the percentage of claims currently requiring additional information for billing?

Answer Q11: Approximately 50% of claims require additional billing information.

Question 12: What are the primary reasons for claims requiring additional information?

Answer Q12: The primary reasons for claims requiring additional information are missing/incomplete/invalid demographic and insurance data.

Question 13: What percentage of claims submissions are currently submitted electronically versus on-paper?

Answer Q13: Approximately 66% of claim submissions are currently submitted electronically versus on-paper.

Question 14: Will this engagement require any direct billing to patients?

- a. If yes, what is the anticipated number of “first bill” patient statements to be generated each month?
- b. If yes, how many follow up collection letters are required before considering the claim as bad debt?

Answer Q14: Yes direct billing to patients will be required in this engagement. The anticipated number of “first bill” patient statements will be determined through the amount of tests ordered for a particular month. Not all test types require direct billing to patients. Bad debts are not currently written off within a specified period of time.

Question 15: Will the contractor be responsible for receiving manual insurance payment checks and making bank deposits for HEALTH-SHL?

Answer Q15: Currently manual insurance payment checks that are received at the 3rd party billing agency are documented for patient/client accounts receivable records and then submitted weekly to HEALTH-SHL for deposit.

Question 16: Is the contractor required to pay for and maintain a bank lock box for payment deposits from third party payers?

Answer Q16: There is not a requirement to obtain or maintain a bank lock box for third party payers. The use of a bank lock box for payments from third party payers by the contractor is subject to the contractors' judgment.

Question 17: What is the current percentage of claims posted electronically (HIPAA 835 files) vs. the percentage posted manually (paper checks and EOBs)?

Answer Q17: Approximately 22% of claims are posted electronically.

Question 18: What is the preferred format for payment data to be sent back to HEALTH-SHL?

Answer Q18: Currently HEALTH-SHL receives weekly deposits including payment data for the week. Monthly reports submitted include Aging Accounts Receivables, Denial Report Summary and Monthly / Year to Date statistics of testing occurrence type and collection.